

## PRESENTATION TO THE CITIZENS COMMITTEE ON HEALTH

INSURANCE by J. W. McGILLIVRAY

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The purpose of this submission is to assist the Committee to recognize that the present Bill 163, oversteps the proper limits of the governments relationship to the individual citizen and to suggest a mechanism whereby health insurance can be made available to those people in the totally assisted and partially assisted groups, as well as, the rest of the population without any decrease in the fast vanishing liberties of all citizens.

Summarized briefly the present bill has the objectionable features of

1. Making the government the largest single purchaser of medical insurance in the province.
2. Compelling the medical insurance companies to share in a purely uneconomic company, (Medical Carriers Inc.) which is surely a dangerous precedent, and to which at least one carrier objects strongly.
3. Removing from the individual citizen responsibility for spending a larger share of his income and entrusting this extra money to an increasingly powerful government.
4. Setting the pattern of government control over medical insurance for a limited group which will be expanded inevitably to include the entire population.

If medical care were not available to a group of our citizens except by this bill it would be necessary to brush aside these objections. If Medical insurance were not available to a group of our citizens except by this bill it might be reasonable to brush



THE SECRETARY OF THE ARMY  
WASHINGTON, D. C.  
JANUARY 1, 1945

( I )

TO THE SECRETARY OF THE ARMY

FROM THE SECRETARY OF THE ARMY

SUBJECT: [Illegible]

REFERENCE: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

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4. [Illegible]

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19. [Illegible]

20. [Illegible]

21. [Illegible]

22. [Illegible]

23. [Illegible]

24. [Illegible]

aside these objections because of the overriding "Common Good" to be achieved. If a plan were available whereby all citizens could have medical insurance and which would allow maximum exercise of individual responsibility it should be considered. Such a plan is to be presented.

The mechanism to be suggested of providing money to the subsidized group is not new. It has worked well in the other "Social Justice" payments provided for by the Family Allowances and Old Age Pensions. There is no reason to believe that similar payments on account of Medical Insurance would not work equally well and probably better than if the spending of this social justice money was undertaken by government officials. This is provided that one accepts the entirely tenable hypothesis that the citizens of this province, rich or poor, are at least as intelligent and reliable as the members of the legislature whom they have elected and the civil servants whom they employ.

Some advantages of allowing each citizen to spend his own medical insurance money are:

1. The individuals status as a free man is enhanced rather than diminished.
2. The government is prevented from exercising complete, sub rosa, control over costs as it has done for the past century in the Ontario Hospital System with such deadening effects.
3. Government wardship, which has been so strongly critized as it applies to our Indian Population, is prevented from extension to other citizens in the matter of Health Insurance.





4. The citizen is allowed to choose the insurance plan which best fits his needs and wants thus allowing greater flexibility. For example a family in the partially subsidized group might be better off to have an " in hospital " or " catastrophic " type of medical insurance which could be purchased for the amount of the partial subsidy rather than a more expensive and more comprehensive plan.
5. Certain groups of citizens, equally entitled to Social Justice payments, have little or no need for medical insurance and would be expected to derive little or no benefit from it. They may, however have other needs which they should be allowed to meet from their Social Justice money. These groups include chiropractors, osteopaths, and naturopaths and their patients, Christian Scientists and other faith healers and their followers, some doctors, many clergymen and their families, some war veterans, and many people who are now cared for to their complete satisfaction on the teaching wards of our University Hospitals.

The concept of social justice whereby we tax more from the rich and give more to the poor is not questioned in this submission.

The concept that those in need of social assistance have the intelligence and good sense to spend their social justice payments wisely is commended to the committee. To deny this is to deny the very basis of universal suffrage and democracy as we know it. To decide that certain citizens lack sufficient money and then to





allow them to have the benefit of such needed money only on the condition that they receive such goods and services as the State decides is good for them is to plainly force them to be Second Class Citizens. This is contrary to the expressed wish of the government but perhaps it is of only temporary importance if the same system is soon to be extended to the entire population and then all will be equal in our second class status.

Attached as Appendix B is a copy of a submission made to the Royal Commission on Health Services. The prose in this submission may be somewhat purple but the philosophy contained therein is commended to the members of the committee.

Also contained therein is a simple mechanism for government to reimburse 50% or more of medical costs to citizens not covered by Bill 163.

In detail it is proposed that the present Bill 163 be altered to the effect that -

1. Adequate medical insurance be made available, if it is not already so, for every resident of Ontario to buy who has adequate money with which to do so, and that the exact meaning of "adequate" be honestly defined by the government.

This could involve government approval of some or many of the existing plans or their modifications.


2. The honest premium for adequate insurance for the partially and completely subsidized groups be openly determined without any hidden subsidy to any insurance company.







3. The citizen, deemed needy of help in providing himself with adequate medical insurance be sent a cheque for the necessary money together with advice and information and an application form as outlined in appendix A. This need not be more complicated than the modern magazine subscription.
4. The government determines the groups to be entitled to assistance and the amount of that assistance from time to time.
5. The government recognize that the individual recipient of Social Justice financial redistribution payments is also a free citizen and ought not to be compelled to spend his money as directed by any government since any government is at least as narrow, willful and foolish as the citizens under its yoke.



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APPENDIX A - SPECIMEN LETTER.

Mr. Angus Freeman,  
Utopia,  
Ontario.

Dear Sir:

The Government of Ontario begs leave to advise you to buy Medical Insurance. Attached is a cheque for \$75.00 payable to your order which will help you to buy a good insurance policy.

An application form is on the reverse side of this letter. You may buy any medical insurance policy you wish. The Government thinks that the ones marked with a \* on the enclosed list are the best ones.

If you choose not to buy any medical insurance you will realize that the Government of Ontario has hereby discharged its obligation to you and you will be responsible for your medical bills just as before.

I trust that you will spend your medical insurance money wisely.

Your obedient servant,  
S. T. Luke,  
Minister of Health.

Enc.  
Brochures of  
Insurance Companies.  
List of Plans.

Government of Ontario Spending Office  
Cornucopia Branch.

December 24, 1983.

Pay to the order Mr..A..Freeman..Utopia,..Ontario..... \$75.00

Seventy-five - - - - - 00/100 Dollars.

Medical Insurance Payment.

R. Hood  
Minister of Revenue.

S. Claus  
Provincial Treasurer.

STANDARD MEDICAL INSURANCE APPLICATION FORM.

Name . . . . . age . . . . .

Wifes name . . . . . age . . . . .

Childrens names . . . . . age . . . . .

. . . . . age . . . . .

. . . . . age . . . . .

. . . . . age . . . . .

Address . . . . . Phone . . . . .

I wish insurance with . . . . . company.

PLAN

A

B

C

D

(circle one)

Pay to the order of

.....  
(Medical Insurance Company)

Sign here.....



Names of Available Plans

Government advice and  
remarks.

Doctors Own A\*  
B\*

Good  
Fair (in hospital only)

Doctors Special\*

Good \*

Oshawa Medical Services A\*  
B

Good

New Ontario Medicare \*\*

Excellent

City Slickers Casualty Co.

Terrible (don't buy this)

Ontario Health and Accident\*

Fairly good

Simcoe County Co-op\*

Good (pays chiropractors)

Caveat Emptor Medical Insurance Co.

Read the fine print  
very, very carefully  
several times.





SUBMISSION TO THE ROYAL COMMISSION  
ON HEALTH SERVICES

ON

FRIDAY, JUNE 1st, 1962

at 12:00 o'clock Noon

BY

DR. J. W. McGillivray

(For release Friday, June 1st, 1962, at 12 noon.)

# SUBMISSION TO THE ROYAL COMMISSION ON HEALTH SERVICES

This submission is divided into two parts.

1. The Doctor-Patient Relationship.
2. A simple Medical insurance scheme.

## **Part One. The Doctor-Patient Relationship in private practice under the Fee-for-Service arrangement.**

Stripped to its economic bones the doctor-patient relationship is the relationship of a servant to his master. The doctor is the servant and the patient is the master. These economic bones may contain the intestines of Pity, a heart of Love, and a brain of Science. They may be clothed with muscles of Strength and skin of Antisepsis, if not of Purity. The resulting figure may wear a breastplate of Righteousness and a cloak of Secrecy. The basic skeleton is economic.

As long as the patient pays the doctor he will remain the master and the doctor will remain his servant. As master, the patient will have a measure of control over the service rendered. If a government pays the doctor then that government will inevitably take the place of the patient as master and the doctor will become the servant of the government. In the event of a conflict of interest between his Patient-Master and a government a doctor will resolve that conflict in favour of his patient. In the event of a conflict of interest between a patient and a Government-Master a doctor, after conflict perhaps, would tend to resolve that conflict in favour of his Government-Master. There is no such thing as a Patient-Master and a Government-Master at the same time in any given situation for as the Scriptures state "A man cannot serve two masters."

I submit that it is of the greatest importance that the People be allowed to keep their liberty. If the people are to keep their individual liberty in health matters I submit that it is necessary that they retain the individual responsibility of paying their doctor, who is also their servant, for the services which he performs.

## **Part Two. A Simple Medical Insurance Scheme whereby a Government, if it is thought wise, could assume a significant fraction of the Medical and Surgical Fees of the People.**

At the outset I must state that, to my knowledge, this plan has never been put forward by any political party although a vaguely similar plan has been put forward by one party.



This plan has several distinct advantages:

1. It requires a minimum of paper work and a negligible increase in the Civil Service.

2. It maintains the control of the patient over his doctor and therefore over the amount and quality of medical service which he receives.

3. It encourages thrift on the part of the patient, honesty on the part of the doctor and fairness to both on the part of the government.

4. It can be manipulated by government in any way which may be thought wise without significant dislocation of the present high standard of medical care. This is provided that the basic principle of the plan is not altered.

This, like all other medical plans, has one distinct defect. It is amenable to political expediency. An overly generous government can give the people such a health plan that it would have to take away the people's liberty to control it, in order to avoid a catastrophe to the Budget.

**Principle.** The economic security of this plan is based on the well known slogan "Fair Shares For All." A good partnership is a fifty-fifty partnership. This plan is predicated on the idea of a fifty-fifty partnership between the citizen and his government. Minor variations of the proportions of this fundamental partnership may be made in the case of special groups such as the indigent, the unemployed, the marginal income group, and the victims of catastrophe. If kept within reason, the special treatment of these special groups would not destroy the inherent stability of the plan.

**The Plan.** This simple plan requires only the patient, the doctor, the doctors receipt pad, and the Income Tax Department.

1. The doctor serves the patient as at present.

2. The patient pays the doctor.

3. The doctor gives a receipt for the money received.

4. The patient sends his receipts with his yearly Income Tax form.

5. The Income Tax Department gives the taxpayer credit for 50% of the total receipts and either deducts this amount from the TAX PAYABLE or, if no tax is owing, it sends a REFUND for this amount to the taxpayer.

It will be obvious that this plan could be instituted by merely amending the Income Tax Act. It could be as easily altered or withdrawn.

There are many questions about this plan which I can answer if I am asked. There is one question which I shall ask and answer. Would this plan not allow the doctors to inflate their fees above the fair market value and thus become easily rich at the expense of the people and the Income Tax Department?

In answer I must point out that the plan, as outlined, does not represent a radical departure from the present situation in which medical fees bear a fairly definite relationship to their fair market value and to the income which patients have to dispose of after providing for such necessities as food, clothing, shelter, alcohol, and tobacco. Furthermore the average doctor returns to the government 40% of his taxable income over \$12,000.00 and 45% of his taxable income over \$15,000.00. Inflation of a doctor's income would be counterbalanced by the understandable reluctance of the patient to pay more than the fair market value for service received. The Department of Internal Revenue would be further protected by the fact that doctors with top incomes would pay, in Income Tax, sufficient money to give the refund to the patient at no cost to the Treasury. The patient meanwhile would receive his medical care at 50% of the fair market value.

**Summary.** I submit that under the system of medical practice which is usual in this country the doctor is the servant of his patient in an economic sense. I submit that this system is good for the patient as well as for the doctor. I submit that it is of fundamental importance to the continuance of this master-servant relationship that the master be directly responsible for paying his servant. I have submitted an outline of a simple plan, with minimal administrative expense, whereby a government could pay half the cost of medical fees without interfering with the liberty of the doctors or the liberty of the patient to control his own medical care.

All of which is respectfully submitted.

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